

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed above, at no time during the six months ended 30 June 2006 was the Company, its holding company or any of its subsidiaries or fellow subsidiaries a party to any arrangements to enable the directors of the Company or their respective associates (as defined under the Listing Rules) to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

SUBSTANTIAL SHAREHOLDERS

As at 30 June 2006, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO showed that the following shareholders had notified the Company their relevant interests in the issued capital of the Company.

Name of shareholder	Number of shares held	Percentage of shareholding
China Electronics Corporation (BVI) Holdings Company Limited ("CEC BVI")	812,500,000	74.98%
CEC (note 1)	812,500,000	74.98%
Devon Fortune Limited	91,421,608	8.43%
Mr. Chan Chak Shing	95,546,608 (note 2)	8.81%

Notes:

- (1) CEC holds 100% interest in CEC BVI and is deemed to be interested in the shares held by CEC BVI. The directors of the Company regard CEC as being the ultimate holding company of the Group.
- (2) This number of shares represents the aggregate of (i) the family interest of Mr. Chan Chak Shing of 4,125,000 shares and (ii) the corporate interest of 91,421,608 shares held by Devon Fortune Limited. As Mr. Chan Chak Shing holds 100% interest in Devon Fortune Limited, the shares held by Devon Fortune Limited are deemed to be the interests of Mr. Chan Chak Shing.

All the interests disclosed above represent long position in the shares of the Company.

Save as disclosed above, as at 30 June 2006, no person or corporation had any interest or short position in the shares or underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the six months ended 30 June 2006, the Company has not redeemed any of its shares. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the period.